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Subject: Written statement of testimony regarding the Federal Deposit Insurance Application of the Proposed Wal-Mart Bank

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On behalf of WakeUpWalMart.com and our 190,000 supporters I wish to express our strong opposition to Wal-Mart's bank application.

WakeUpWalMart.com is the nation's largest campaign to change Wal-Mart with over 190,000 supporters in all 50 states. In just one year, we have become one of the fastest growing social movements in America. Why? Because the American people believe corporations, like Wal-Mart, should reflect our values, and when they don't, the public will join together to hold corporations accountable either through their lawmakers or regulators or by taking direct action.

One of our founding fathers' greatest fears was that one day economic power might seize political power. Imagine a time, when corporations become so large, so dominant they can use their power and influence to pervert the institutions of democracy and make our government work for the benefit of those corporations, instead of the people they were elected to represent.

It is fair to say, given the breadth and scope of public opposition – from all sides of the political spectrum – the American people have spoken loud and clear. America says “No,” to a Wal-Mart bank.

A Wal-Mart bank not only dangerously mixes commerce and banking, but represents a disturbing concentration of capital in the hands of one single corporation, Wal-Mart. If the FDIC approves

Wal-Mart's banking application, it will create a new modern-day American monopoly with the economic power of Standard Oil and the values of Big Tobacco.

Let me give you an example from real town America as documented by Robert Greenwald in his movie, "Wal-Mart: The High Cost of Low Price." Red Esry founded a family-owned grocery store in Hamilton, Missouri over 36 years ago. Red is a Korean War veteran and 40 year member of the American Legion. But, when Wal-Mart came into his area with a SuperCenter in 1995, Red lost half of his business overnight.

Now, you might say that is just capitalism, except you would be wrong. Despite underpaying their employees and not providing them with affordable health care, Wal-Mart was also the beneficiary of millions of dollars in subsidies from the government. When Red appealed to the local government for the same subsidies as Wal-Mart, he was denied. After 36 years in business, Red was forced to shut his doors in two years time.

I want to read you what Red said, because I think it captures the human impact of Wal-Mart's anti-democratic practices. "It was 40 years of hard work that seemed to disappear all at once...Capitalism isn't the same thing as monopoly, and that's what Wal-Mart is. I don't mind competing, but only if it's on an even playing field, and Wal-Mart is not on an even playing field."

Unfortunately for America, there are thousands of other Red Esry's. In fact, a study in Iowa found, after 10 years, nearly 2,200 small businesses, including hardware, apparel and grocery stores, had been forced to go out of business. This not only destroyed good jobs and small businesses, but helped destroy the very fabric of small-town America.

Here's a scary, but very likely, scenario. If Wal-Mart had a bank, it would seek to destroy and close countless community banks all across America – just like Red's grocery store. Now, small businesses, who need loans to try and compete with Wal-Mart, would be forced to go to the very same company that is trying to put them out of business. Think about that for a second, why would Wal-Mart give another business a loan in order to help it compete against itself. A Wal-Mart bank would have a chilling effect on competition in America and would be unfair, anti-small business, anti-consumer and anti-free enterprise.

Wal-Mart hasn't become a \$312 billion corporation just because of ruthless business practices that eliminate competition. The dirty little secret behind Wal-Mart's success is that it uses its immorality and irresponsible behavior to gain a competitive advantage over responsible employers. By slashing labor and health costs, shipping U.S. jobs overseas, and driving down wages and benefits for the entire industry, Wal-Mart threatens to create a permanent underclass of workers in America.

Let me give you a real life example. Cynthia Murray is a sales associate at a Wal-Mart store in Laurel, Maryland. Despite having worked there for 6 years, Cynthia makes under \$10 per hour and can't afford Wal-Mart's health insurance because it would cost her up to 40% of her paycheck. As she says, "I just pray to the lord that I don't get sick." Unfortunately, Cynthia is not alone.

Wal-Mart fails to provide company health care to 57% of its employees, almost double the Fortune 500 average of 32%. Wal-Mart's health care benefits are so unaffordable, even Wal-Mart's Executive Vice President for Benefits Susan Chambers concluded, "...our critics are correct in some of their observations. Specifically, our coverage is expensive for low-income

families, and Wal-Mart has a significant percentage of Associates and their children on public assistance.”

Most importantly, I want to share with you a few of our personal experiences in dealing with Wal-Mart to give you a sense of why Wal-Mart cannot be trusted.

Wal-Mart is being sued in the largest gender discrimination case in U.S. history affecting 1.6 million current and former female employees. One of the startling revelations in the case is that Wal-Mart created a diversity panel in the mid-1990's to examine whether or not it had a problem with gender discrimination. The panel concluded Wal-Mart did have a problem and recommended several changes. Instead of implementing those recommendations, Wal-Mart disbanded the panel and two years later the problem got worse. To this day, Wal-Mart still won't admit it paid women less than men for the same work and performance evaluations.

Most recently, Wal-Mart's hypocrisy reached new levels during its public relations blitz. On the same day Wal-Mart's CEO was giving a speech on supposed health care improvements, senior executives inside the company were working on a scheme to actually cut health care costs and reduce labor costs through draconian measures. The results of Wal-Mart's double speak were astounding. In January 2006, two months after the speech, Wal-Mart revealed its health care crisis had actually gotten worse, not better as it had falsely claimed.

And whether it is locking employees in the store overnight, forcing them to work off the clock, violating child labor laws, exploiting undocumented workers or ignoring unsafe working conditions, Wal-Mart consistently makes business decisions with total disregard for their impact on people and the community.

Therefore, a simple question must be asked – why would anyone in America, knowing Wal-Mart's record and poor practices, believe for one moment that Wal-Mart would act responsibly if granted this bank application?

Given Wal-Mart's size, impact and track record, it would be irresponsible to entrust this company with more control over people's economic lives and well-being.

It is more than a little ironic that we would be sitting here today discussing whether or not to make Wal-Mart more powerful, entrust them with more economic responsibility and put them in a position to further hurt small businesses and consumers, when in every town in America people are joining together in a national grassroots revolution to change Wal-Mart, hold Wal-Mart accountable and restore the public's faith in corporate America.

Citizen activists like Caroline Vernon in Iowa. Up until a few years ago, Caroline shopped at Wal-Mart. But, when Caroline learned how Wal-Mart was treating its employees and the community, she became one of the most vocal and active leaders working to change Wal-Mart. In the past year, Caroline has canvassed her neighborhood, held public meetings and even hosted a house party where she invited strangers to come into her home and work to get Wal-Mart workers health care.

Citizen activists like Javon Gilmore, a grassroots supporter from Oregon. By holding neighborhood meetings, signing petitions and raising grassroots dollars, Javon led her community's successful struggle to preserve its beauty by keeping a Wal-Mart store out.

In most cities, public officials holding a town hall meeting are lucky to get a few citizens to show up, but, in town after town, meeting after meeting, thousands of people are coming together and speaking out for Wal-Mart to change. In the past year alone, 138 communities have come together to support responsible corporations and oppose Wal-Mart's entrance into their area until Wal-Mart changes.

Since we launched WakeUpWalMart.com one year ago, over 190,000 Americans have joined together through our campaign to change Wal-Mart and make Wal-Mart a responsible and moral corporation. We are one of the fastest growing social movements in America and it is because the American people will not let economic power seize political power.

Not surprisingly, when a recent poll by Zogby International asked the American people to choose between two statements: 1) "I believe Wal-Mart is good for America. It provides low prices and saves consumers money every day," and 2) "I believe Wal-Mart is bad for America. It may provide low prices, but these prices come with a high moral and economic cost for consumers," the majority of Americans, 56 percent to 39 percent, agreed Wal-Mart is bad for America.

On behalf of our supporters and this growing movement to change Wal-Mart, we believe approving Wal-Mart's bank application would endanger the public interest, reward an irresponsible corporation, and give Wal-Mart an unprecedented economic monopoly on the American consumer.

As board members of the FDIC, you are now in a unique position. I understand this is an unusual proceeding, but Wal-Mart is an unusual actor. When a corporation becomes too big, too irresponsible, too immoral, it is the responsibility of our lawmakers and regulators to make sure the balance of power is restored and the public interest is protected.

I thank you for your attention and welcome any discussions or questions you may have about my testimony.

In addition to this testimony, I'd like to submit the results of a recent Zogby poll as well as personal stories of 17 Wal-Mart workers.

## **WAL-MART SUFFERS STEEP DECLINE IN PUBLIC IMAGE**

### **FIRST NATIONAL ZOGBY POLL OF WAL-MART FINDS NEARLY 4 IN 10 AMERICANS HAVE AN UNFAVORABLE OPINION / NEARLY 6 IN 10 AMERICANS HAVE A "LESS FAVORABLE" OPINION OF WAL-MART TODAY**

Washington, DC – The first national survey of public attitudes and opinions about Wal-Mart by Zogby International finds American adults hold an increasingly negative view of Wal-Mart. The poll found 38 percent, or nearly 4 in 10 Americans, hold an unfavorable opinion of Wal-Mart, and 46 percent of Americans believe Wal-Mart's public image is worse than it was 1 year ago.

The poll found that 56 percent of American adults agreed with the statement - "Wal-Mart was bad for America. It may provide low prices, but these prices come with a high moral and economic cost." In contrast, only 39 percent of American adults agreed with the opposing statement – "I believe Wal-Mart is good for America. It provides low prices and saves consumers money every day."

"Despite two high-priced image makeovers, Wal-Mart's public image is in a tailspin. Over the last year, Wal-Mart's image has declined at an alarming rate with the American people. Unless Wal-Mart addresses these growing concerns, the company will face a mounting public backlash," stated Paul Blank, campaign director for WakeUpWalMart.com.

The Zogby poll, commissioned by WakeUpWalMart.com, was a national telephone survey of 1,012 adults conducted by Zogby International from 11/15/05 through 11/18/05 and had a margin of error of +/- 3.2%.

The effect of the WakeUpWalMart.com campaign over the last year can be best assessed by comparing several questions from the new Zogby poll to results from a similar national poll conducted by Lake, Snell, Perry in January 2005.

#### **Wal-Mart Overall Favorability**

In terms of overall favorability, in the span of about 11 months, Wal-Mart experienced a decline of 18 percentage points in the number of American adults who view the company favorably. Most striking is a 15 percentage point decline in the number of Americans who hold a "very favorable opinion."

	<b>Jan 05</b>	<b>Nov 05</b>	<b>Difference</b>
Very Favorable	45	30	-15
Somewhat Favorable	31	28	-3
<b>Fav</b>	<b>76</b>	<b>58</b>	<b>-18</b>
Somewhat Unfavorable	11	19	+8
Very Unfavorable	9	19	+10
<b>Unfav</b>	<b>20</b>	<b>38</b>	<b>+18</b>
No Opinion/Not sure	4	4	-

### Wal-Mart Shopping Frequency

The Wal-Mart shopping frequency of American adults has also changed. A comparison of the two polls suggests a decrease of 18 percentage points among high frequency Wal-Mart shoppers (i.e. weekly and 1-2/ month), but an increase of 12 percent in the number of respondents who shop at Wal-Mart less frequently. Most interesting, there is a 5 percent increase in the number of American adults who choose not to shop at Wal-Mart. These results, however, do not directly impact Wal-Mart sales, as consumers who still choose to shop at Wal-Mart may have simply increased their overall values of their purchase.

	Jan 05	Nov 05	Difference
Weekly	33	24	-9
1-2/Month	36	27	-9
Several times a year	13	16	+3
Hardly ever	11	20	+9
Never	8	13	+5
DK	0	0	-

### Wal-Mart Favorability Based on Recent Events

Recent news events are having an impact on Wal-Mart's rising negative image. In asking people whether or not recent news events have altered their feelings of favorability/unfavorability towards Wal-Mart, there is a growing perception that Wal-Mart is less favorable. Since January 2005, 28 percent more American adults have heard, seen, or read something about Wal-Mart that makes them feel less favorable toward the company.

	Jan 05	Nov 05	Difference
Much more favorable	10	11	+1
Somewhat more favorable	18	11	-7
<b>More favorable</b>	<b>18</b>	<b>22</b>	<b>-6</b>
Somewhat less favorable	13	29	+16
Much less favorable	14	26	+12
<b>Less favorable</b>	<b>27</b>	<b>55</b>	<b>+28</b>
No impact/not sure	43	24	-19

### Wal-Mart's Favorability & Public Image Compared to Competitors

In terms of favorability, Americans hold very different opinions of two of the largest retailers - Wal-Mart and Target. For example, 73 percent of respondents hold a favorable opinion of Target versus 13 percent who hold an unfavorable opinion, while 58 percent of respondents hold a favorable opinion of Wal-Mart versus 38 percent who hold an unfavorable opinion. And compared to one year ago, a large majority of Americans (65%) agree that Wal-Mart has a more negative public image now than compared to last year, while 28 percent disagreed. In contrast, and just as a baseline comparison, only 14 percent of Americans believe that Target's public image is more negative, while 55 percent disagreed.

These results are more striking in light of the significant financial commitment by Wal-Mart over the last year to try and improve its public image.

### America's Wal-Mart Debate

The debate about whether or not Wal-Mart is good or bad for America is occurring. In a comparison of two statements, 56 percent of Americans agreed “Wal-Mart is bad for America” (statement B), with only 39 percent of Americans stating Wal-Mart is “good for America” (statement A).

Statement A – I believe that Wal-Mart is good for America. It provides low prices and saves consumers money every day.

Statement B – I believe that Wal-Mart is bad for America. It may provide low prices, but these prices come with a high moral and economic cost for consumers.

Further results indicate that 6 in 10 American adults believe Wal-Mart is seen as a retail monopoly that threatens the American economy, 61 percent of Americans are concerned that Wal-Mart is too powerful an economic force in America, and 63 percent of Americans agree that the impact of the Wal-Mart business model should be investigated by our nation’s elected political leaders.

Poll results are available to the media on request by contacting Chris Kofinis (202) 496-6422 or Paul Blank (202) 466-1503.

#### Questions Referenced from Zogby Poll

I am going to read to you a list of stores. Please tell me if your overall opinion of each is very favorable, somewhat favorable, somewhat unfavorable or a very unfavorable.

#### Target

1. Very favorable	34
2. Somewhat favorable	39
3. Somewhat unfavorable	7
4. Very unfavorable	6
5. NF/Not sure ( <b>do not read</b> )	<b>15</b>

#### Wal-Mart

1. Very favorable	30
2. Somewhat favorable	28
3. Somewhat unfavorable	19
4. Very unfavorable	19
5. NF/Not sure ( <b>do not read</b> )	<b>4</b>

In general, thinking back on what you have recently seen, heard or read about Wal-Mart in the last few months, does it make you much more favorable, somewhat more favorable, somewhat less favorable, or much less favorable toward Wal-Mart?

1. Much more favorable	11
2. Somewhat more favorable	11
3. Somewhat less favorable	29

4. Much less favorable	26
5. Not sure <b>(Do not read)</b>	<b>24</b>

In general, based on what you have recently seen, heard, or read about Wal-Mart, do you believe Wal-Mart's public image is much better, slightly better, slightly worse, much worse, or about the same than it was 1 year ago?

1. Much better	5
2. Slightly better	7
3. Slightly worse	28
4. Much worse	18
5. About the same	37
6. Not sure <b>(Do not read)</b>	<b>5</b>

Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that Wal-Mart has a more negative public image now than compared to last year?

1. Strongly agree	36
2. Somewhat agree	29
3. Somewhat disagree	17
4. Strongly disagree	11
5. Not sure <b>(Do not read)</b>	<b>7</b>

Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that Target has a more negative public image now than compared to last year?

1. Strongly agree	4
2. Somewhat agree	10
3. Somewhat disagree	27
4. Strongly disagree	28
5. Not sure <b>(Do not read)</b>	<b>31</b>

Wal-Mart is America's largest employer with 1.3 million workers, 3700 stores, 289 billion dollars in sales, and \$10 billion dollars in profits. Are you very concerned, somewhat concerned, not too concerned, or not all concerned that Wal-Mart is too powerful an economic force in America?

1. Very concerned	33
2. Somewhat concerned	30
3. Not too concerned	15
4. Not all concerned	20
5. Not sure <b>(Do not read)</b>	<b>2</b>

Do you, personally, strongly agree, somewhat agree, or do not agree at all that Wal-Mart is a retail monopoly that threatens the future health of the American economy?

1. Strongly agree	33
2. Somewhat agree	28
3. Don't agree at all	35



4. Not sure (**Do not read**)

**5**

Some critics suggest Wal-Mart is having a negative social and economic effect on the country, others argue Wal-Mart has a positive social and economic effect. Do you, personally, strongly agree, somewhat agree, or do not agree at all that our nation's elected political leaders should investigate the effects Wal-Mart is having on the American economy and society?

1. Strongly agree

34

2. Somewhat agree

28

3. Don't agree at all

34

4. Not sure (**Do not read**)

**4**

## **Personal Stories of Wal-Mart Workers**

### **Dana Razaie**

#### **Stocker - Fridley, MN**

Dana has been a stocker at Wal-Mart about five years. During this time she has never been written up and has always been a hard worker. Dana is frustrated by low wages, unaffordable company health care, and a hostile, anti-worker environment at her Wal-Mart store.

Wal-Mart's low wages and unaffordable health care force Dana and her three children to depend heavily on Minnesota Care and Social Security to survive. "I don't know where I would be without those two programs", she says. Including income from her second job at a Holiday gas station, Dana earns a take-home pay of less than \$20,000 each year. Although Dana's salary of \$11.29 per hour is well above Wal-Mart's alleged average hourly pay of \$10.11, she still cannot afford Wal-Mart's health insurance plan with a monthly premium of \$300 and deductibles reaching over \$1000. In fact, when Dana went to apply for Minnesota Care, one of the eligibility workers called the Wal-Mart health plan "ineffective".

Wal-Mart insurance does not provide many necessities including vaccinations, regular check ups, and allergy shots. That would make Wal-Mart insurance very problematic for a mother with boys who must be vaccinated in order to attend public school. Therefore, Dana is very thankful for Minnesota Care coverage.

Dana is also concerned about Wal-Mart's anti-worker environment, which is perhaps best exemplified by Dana's experience after getting injured on the job. While carrying an oversized box, Dana tripped over another box by another worker. The store managers had "no sympathy" for the injury. After an incident report was filed and Dana's doctor told her to "only work half shifts, (is) painful and fatigued", Wal-Mart still made her work full shifts. She was even moved to Furniture, one of the most strenuous and physically demanding departments in the store. Dana believes she should have received more support from management during this ordeal. "The way things were handled definitely did not fit into the supposed 'Wal-Mart model' of supporting fellow employees," she explains.

Dana believes Wal-Mart increases its profits with no consideration for the human cost of these actions. Although the store achieved forty million dollars in sales last year, no store bonuses were given because the Fridley store did not meet its "desired projections." Workers are written up if they work over forty hours. Dana is frustrated about Wal-Mart's outsourcing of manufacturing -- exporting American jobs to countries that pay their workers even less than in the U.S. Dana is also outraged that Wal-Mart receives subsidies from the city, state and federal government. "The workers should be getting that money", she says. She knows they need it \* one of her co-workers actually lives in a car because she cannot afford rent on her Wal-Mart salary.

### **Ollie & Patricia Wells**

#### **Wal-Mart Distribution Center - Brooksville, FL**

Ollie Wells has worked full time at the Wal-Mart distribution center in Brooksville, Florida for over four years. Ollie has to work a second job in order to provide for his wife and four children, two of whom are autistic and require regular doctor visits and therapy. Because he can't afford Wal-Mart's health insurance, the children rely on medical coverage from the state of Florida.

Three years ago, Ollie's wife (Patricia Wells) began working full time at the distribution center to help the family make ends meet. After working there for a little over a year, she was injured at work when she attempted to get clothes out of a jam on a conveyer belt. She was dragged on the conveyer belt and repeatedly slammed into the wall and was eventually thrown off the belt. She was told by a manager that the incident could have been prevented if she had followed what is known as the "Lock out/Tag out" procedure. However, Patricia says she was never trained on this procedure because she was told implementing this procedure could cause a "loss of production."

Patricia was taken to a Wal-Mart clinic and given a bag of ice and sat out the rest of her shift. After complaining for a week about pain in her shoulder and back, she was told by the head of Loss Prevention that it was company policy to put you on light duty for a week then send you to a doctor. It was ten days before she was allowed to go to the doctor on her day off.

After visiting the doctor, Patricia has spent the last six months fighting for worker's compensation only to have Wal-Mart deny her claim. She was told by the doctor her injuries may never heal completely. Patricia's husband Ollie called the Occupational Safety and Health Agency (OSHA) to file a complaint, and Wal-Mart was fined \$4,550 for 6 serious violations. As a result, he has been harassed by management. When he reported these complaints to the corporate office in Bentonville, headquarters told him until his wife gets rid of their attorney Wal-Mart will not communicate with him.

**Becky Lunn, Ann Brown, Melissa Mattice, Danielle La Rose and Carol Hinman  
Five Workers in Camillus, NY**

Becky Lunn, Ann Brown, Melissa Mattice, Danielle La Rose and Carol Hinman worked at Wal-Mart in Camillus, New York. Last December, with the Customer Service Manager's permission, they shopped at Wal-Mart outside of work hours and purchased various items at a discount price. A few weeks later, these workers were suddenly and suspiciously accused of theft and terminated for "violation of company policy."

Becky Lunn noticed commonalities between the seven workers who had been fired for "theft" and immediately thought of the secret Wal-Mart memo discussing plans to cut costs by utilizing more part-time workers and dissuading unhealthy or obese people from seeking jobs at Wal-Mart. Of the seven workers fired, five were overweight, six had expensive medical problems, six were full-time employees, and all had relatively high salaries after working at Wal-Mart for many years. Additionally, they were all women ready to speak their minds, many of the other Wal-Mart employees. Furthermore, Becky recently noticed Wal-Mart's advertising for part-time positions has dramatically increased.

**Becky Lunn**  
Cashier

Becky has worked at Wal-Mart stores in East Syracuse and Camillus for a total of 3.5 years, most recently as a cashier. Becky suffers serious medical problems including asthma, back problems, and a heart condition that requires an ICD unit (internal defibrillator.) She has experienced cardiac arrest nine times. Becky says that her \$9.41 hourly wage was above-average in her store, but co-pays and health insurance premiums claimed 50-75% of each paycheck. Since she cannot afford COBRA, losing her job at Wal-Mart is literally a life-and-death matter.

She says, “At this point I feel betrayed and devastated because I counted on my health insurance. I have no clue what I’m going to do – this is my life in question.”

**Ann Brown**

Courtesy Desk Associate

After almost nine years at Wal-Mart, Ann was making \$9.81 per hour and spending \$277 every two weeks on Wal-Mart’s health care plan. Now, Ann is unsure how she will manage. “My husband has cerebral palsy and I suffer from anxiety and depression. Without my job, I cannot afford to pay for our medical bills without losing everything I have.”

**Melissa Mattice**

Customer Service Representative

Melissa worked at Wal-Mart for almost two years. She worked 40 hours a week earning \$8.40 per hour. Wal-Mart’s low wages and expensive health care forced Melissa onto Medicaid. Melissa is concerned about Wal-Mart’s treatment of their associates.

“When I first started working there it seemed like a pretty good company. But soon I realized how little they respect their employees. They need to treat their associates better. When I was growing up, my mother always told me treat others the way you want to be treated. That’s how they should treat their employees.”

**Danielle La Rose**

Courtesy Desk Associate

Danielle worked at Wal-Mart just shy of two years. Just before she was fired, she was evaluated and earned a 40 percent raise. Danielle and her four children depended on public assistance for health care. “My medication is \$800 each month. My eleven-year-old son and I have bi-polar disorder, so he goes to therapy every week and sees a psychiatrist once a month. Wal-Mart’s health care would’ve cost my whole paycheck.”

**Carol Hinman**

Cashier

Carol is 61 years old and worked full time at Wal-Mart for nine and a half years, making \$10.24 an hour. Carol paid \$50.69 every two weeks for Wal-Mart’s health care plan. Almost two years ago, Carol was working in the pharmacy department when she had to have knee surgery. She was out on medical leave for a week. Upon her return she found her position at the pharmacy filled and was asked to be a cashier. Carol believes Wal-Mart is doing everything possible to phase out all full time workers earning more than the minimum wage.

**Mona Curtis**

**Greeter - Hillsboro, OH**

Mona Curtis has worked at Wal-Mart since 2002. Her story is just one example of Wal-Mart’s apparent desire to cut wage and health care costs by pushing out senior associates, as revealed in a recently leaked memo from Wal-Mart’s top benefits executives. In her own words:

“My name is Mona Curtis. I have been a door greeter at Wal-Mart in Hillsboro, OH ever since it opened in 2002. When I first started working at Wal-Mart I thought it was a great place to work. My co-workers were very friendly and my managers were willing to work with me on my schedule. Prior to being hired, I explained to Wal-Mart I could only work four days a week. I’m a foster parent, and I have to attend trainings every Saturday. On Fridays, I volunteer at the local soup kitchen and I attend church every Sunday.

Recently, I noticed a change in culture when a new manager came in. A few of my co-workers have been terminated, and schedules have been changed without notice. I believe Wal-Mart is making these changes in order to push out the older associates in favor of younger associates as a way of phasing us older associates out in order to hire younger associates.

Once I realized what was happening, I wrote a letter to the Bentonville office to address my concerns. The letter was supposed to be confidential and I thought I would be protected under Wal-Mart’s confidentiality and open door policy. After being informed of my letter, my store manager began to harass me. She told me if I was not able to work on any day they scheduled me, she would cut my hours. I explained to her how much I needed the income and could not afford to have my hours cut. Then, my manager told me to apply for partial unemployment in order to make up for the cut hours. I applied for unemployment, believing that I was going to be compensated. I was denied partial unemployment and I later found out my manager had sent a letter to the Unemployment office, directing them to deny me. To this day, management continues to harass me and pressure me to quit.”

### **Josh Smith**

#### **Former Temporary Cashier - Mt. Vernon, ME**

Read Josh's testimony regarding LD 1927, An Act To Prevent State Taxpayers from Subsidizing Large Employers, offered on March 1, 2006 to the Maine Legislature:

My name is Josh Smith and I am 23 years old, born and raised 30 minutes from here in the town of Mt. Vernon. After graduating from Stonehill College in Massachusetts I participated in a year of community service on the west coast before deciding to return home. And over the past several months I have worked just three miles from here at the Augusta Wal-Mart Supercenter.

I was hired as a cashier making \$7.40 per hour with no benefits. It is very difficult to live off this wage since I was limited to 33 hours per week as a part-time associate, intentionally prevented by management from achieving full-time status. As a result of this, I would have had to wait over two years before ever becoming eligible for Wal-Mart’s health insurance.

So I cannot tell you about my own personal experience with Wal-Mart’s health care plan since I did not qualify for coverage during my tenure at the store. However, my being uninsured actually makes me the perfect person to discuss this issue since the vast majority of my co-workers also did not receive the company’s health insurance. Many were ineligible like myself, but others simply could not afford the coverage.

Much has been made of Wal-Mart’s new Value Plan, but the lower monthly premium that the company quotes is only available to certain employees in select markets. More importantly, this supposedly cheaper plan carries a \$1,000 deductible, which, when added to the lower premium, can still consume up to 25% of an associates total income, or 40% for family coverage. This high

cost does not represent a good value at all, since the plan has shaky coverage and is unduly loaded toward catastrophic care.

Ultimately, the Value Plan represents mere cosmetic surgery from preexisting options since the same basic flaws remain. The slick marketing did not fool associates in my store, and I do not know of a single co-worker who enrolled in the new plan. Until Wal-Mart addresses the real problems with its insurance – strict eligibility requirements and prohibitively high deductibles – 57% of its workers will remain uncovered by the company's health insurance.

This is a statistic that I saw play out every day in my store when hearing the stories and watching the struggles of hundreds of my fellow associates. When I breached the topic with co-workers of whether they were covered by the company's insurance, the question was shrugged off as absurd since they too were ineligible or could not afford the plan. Those who did receive coverage were well aware of the problems with the insurance, but did not have any other option.

The four months that I worked at the Augusta Supercenter showed me that whenever possible Wal-Mart will shift its costs onto other parties, in this case Maine's taxpayers. In my mind it is utterly inappropriate for the largest corporation in the world to not pay their employees enough to live on, instead relying on the state to subsidize their low wages and poor benefits.

There is no doubt in my mind that Wal-Mart's poor compensation forces many of their employees to turn to public programs like MaineCare. However, we must collect this data in order to gain a clearer picture of the scale of this problem. I ask that you please pass LD 1927 for all of my 450 friends down the road who continue to work and struggle everyday at Wal-Mart.

**Greg Pierce**  
**Customer Sales Manager - Ocala, FL**

In his own words:

“Wal-Mart hired me as a cashier knowing full well that I was physically unable to push carts, due to a severe knee injury from a previous car accident. Then I started work, and they asked me to push carts. As a result, my knee snapped out of place.

Pushing carts caused my injury, but Wal-Mart's 'doctor' told me there was no grounds for a worker's compensation case because I had a pre-existing condition. I was given no paid time off and could not afford to take vacation time. I had no choice but to return to work the next day with crutches and an immobilizer on my leg. I stood for nine hours a day with crutches under my arms and one leg in a huge cast, trying to scan items!

After four months as a cashier, I was offered the position of Customer Service Manager (CSM). I was given a list of my responsibilities and expectations and gladly took the position. At the time, I was honored -- little did I know taking this position would be a mistake.

When I became a manager, Wal-Mart brought me into a room and explained the way things were actually run in the store. I was told certain cashiers were expendable. Cashiers can be fired without any prior notice of termination, even if they haven't done anything wrong. As a manager, I had to sign a secrecy clause and was not allowed to give warnings. If workers had one little screw-up or missed one day, they would be out the door as fast as our products.

Management assured me that because I had two kids under three, I would be scheduled to work nights. However, within a week, I was scheduled to come in at seven o'clock in the morning and had to switch my family's whole world around.

When I began working at Wal-Mart, I was promised that if I worked hard and did well in my position, I would be given chances for raises and promotions. Although I did receive a promotion and a slight raise of 80 cents -- which brought me up to a whopping \$8.10 an hour -- I have been denied money, benefits, vacation time, sick time, personal time and workman's comp benefits. The insurance is unaffordable, the pay is absurdly low, and the morale is even lower.

My only hope is that someday Wal-Mart will wake up and realize their corruption hasn't hit the point of no return. There's still a chance for Wal-Mart to make things right with the people of America. There's still a chance for Wal-Mart to pay a living wage so that mothers and fathers will not have to receive Welfare and count every penny even though they have working at Wal-Mart for years. There's still a chance for Wal-Mart to make things right and provide affordable health care so that workers can pay their rent if their children get sick and have to see the doctor. Wal-Mart's health care is so expensive that workers barely make enough for one or the other -- and that's not much of a choice!

I think Wal-Mart has the ability to change because I believe people are truly good at heart. I think the main thing we need are employees who want to share their stories and speak the truth. So we can continue to expose the true face of Wal-Mart."

### **Cynthia Murray**

#### **Sales Associate - Hyattsville, MD**

Cynthia Murray is a sales associate at Wal-Mart in Laurel, Maryland. She has been with Wal-Mart for almost six years. Due to a car accident several years ago, Cynthia is partially disabled and is unable to stand for long periods of time. When Wal-Mart first hired Cynthia, the management acknowledged her disability and placed her in the fitting rooms of the clothing department, where she can sit and answer phones. Cynthia has held this position throughout her tenure at Wal-Mart and has received various awards for her job performance.

Recently, store management claimed Wal-Mart had no record of her disability claims and demanded additional proof of her disability; otherwise they would take her chair away. Unfortunately, Cynthia cannot afford the health care necessary to rehabilitate her from her injuries, because she makes under \$10.00 per hour. Wal-Mart's health insurance would cost her \$130.00 a month and up to \$1,000.00 a year in deductibles.

Cynthia explains, "I've worked at Wal-Mart for more than 5 years, and I still can't afford their health care. I know many of my co-workers can't afford it either. I think it's fair to say a majority of the workers in my Wal-Mart store don't have Wal-Mart's health care because they can't afford it."

Despite her fear of being fired, Cynthia knew something needed to be done to improve the way Wal-Mart treats its workers. When she heard about the Fair Share Health Care Bill being debated in the Maryland legislature, she decided to tell her story to the public and Maryland's lawmakers. Cynthia's courageous testimony was critical in the Maryland Legislature's decision to enact Fair Share Health Care Legislation.

Cynthia wrote in a letter to the Maryland state legislators, “The sad truth is many of these associates are scared to speak out, but I felt this bill is too important to stay silent. That is why I am taking a public stance to ask every legislator to listen to the hardship of workers who can't afford health care and personally ask Maryland lawmakers to help improve life for me and my co-workers by making sure corporations do the right thing and provide us health care.”

Cynthia has promised to do all she can to help make Wal-Mart a better place to work for her and her co-workers. Click below to read more about Cynthia's leadership in the fight for justice for Wal-Mart workers: <http://www.wakeupwalmart.com/www/fair-share.html>

## **Cindy Starns**

### **Associate - Covington, Washington**

Cindy Starns has worked as an associate at Wal-Mart in Covington, Washington, since the store opened in January 2005. She came to Wal-Mart with ten years of experience in the retail industry. As an associate at Wal-Mart, Cindy has faced injustices including unaffordable insurance as well as discrimination on the basis of gender and age.

### **Unaffordable Insurance**

Cindy's husband works at a local hospital, and to supplement their dental coverage, Cindy bought into the plan at Wal-Mart. She paid \$12 per month to provide secondary dental insurance for herself and her husband. She came to find out too late that her husband, because he already has insurance that pays 80%, is not eligible for coverage by Wal-Mart. Cindy's husband went to the dentist for some routine work, and before his appointment, Cindy called the Wal-Mart benefits office to clarify and confirm that her husband's bill would be covered. Wal-Mart assured her that he would, but shortly after the visit, the Starns received a bill for the dental work. When Cindy called Wal-Mart this time, her contact told her that the initial information was incorrect. Cindy is locked into the plan for two years and Wal-Mart did not refund any money she paid for coverage of her spouse.

Cindy has talked to other women she works with, asking them, out of curiosity, if they get health care through Wal-Mart. More than one single mother has laughed at the idea. The company insurance is so expensive and offers such low benefits that they prefer (and receive) the state-offered health insurance for their children and themselves, according to Cindy.

### **Gender and Age Discrimination**

Cindy is a grandmother and finds it unfair that younger, less-experienced associates are consistently given better jobs and better wages at her store. However, women workers of all ages experience unequal treatment at her Wal-Mart store.

Cindy started off as a jewelry clerk at Wal-Mart. She and the two other full-time clerks she worked with had been told that one position would be eliminated in two weeks. One morning two weeks later after clocking-in to work, she was called into her manager's office. Having always been on-time and ready to work, with no problems, Cindy wasn't too concerned about the impromptu meeting.

Her manager told her that as of that moment, it was her position in jewelry was being eliminated. She could either choose to become a cashier and take a \$.20 pay cut or they would have to let her



go. Cindy took the pay cut and became a cashier. Despite having been a cashier for 10 years before coming to Wal-Mart, but they started her at a wage of \$8.40. Cindy has put in for other positions within the store and has routinely been denied the work. Most recently, she applied to work in the back doing stocking, but before that, she applied to be put back in Jewelry. Two positions had come up. Having experience already in the department and with the store, Cindy was told that she would be a shoe-in. She had already planned and been approved to take vacation time. When she came back, both positions had been filled, and Cindy continued to be a cashier.

But Cindy has noticed unequal treatment of women of all ages at her store. Male workers seem to experience subtle but consistent privileges. For example, Cindy must always clock out before buying her lunch, even it is from the Subway store located within the Wal-Mart. This requires walking back and forth from the front to the back of the store, which takes times out of her break. However, one of the greeters, an older man, is permitted to go to Subway before clocking-out for lunch. Furthermore, a male cart-gatherer has fallen asleep in the bathroom during work hours on various occasions, yet continues to be employed by the company. In addition, a male cashier has repeatedly come up short in his till, sometimes upwards of \$90, but has maintained his position longer than expected by the other (mostly female) cashiers.

### **Bettie Madsen**

#### **Former Department Manager - Bakersfield, CA**

Bettie Madsen is a former Wal-Mart associate from Bakersfield, CA. After 15 years at Wal-Mart, Bettie says that she was wrongfully terminated for missing her lunch break. Bettie believes because she was making over \$10.00 an hour, management was deliberately understaffing her department and putting a burden on the associates with no compensation for the extra work in order to cut costs.

"Wal-Mart is 'restructuring' by systematically weeding out the older associates who often make higher wages. By doing this, they are eliminating experienced people who know the stock, and have well-tuned customer service skills. When Wal-Mart terminated me, they lost a person with 45 years of experience and one who also knew the majority of customers who shopped in the Fabrics and Crafts department. I had trained the sales associates to greet their customers and become friends with them, not act like regular sales associates. It's the personal service which customers like and makes them want to return to your store and your department when they need help.

The current strategy at Wal-Mart is to 'save more money' by cutting the wages of their workers. In our district, management is trying to get rid of all the associates making more than \$10.00 an hour. Then, they hire a new associate at a minimum pay scale, allowing them to cut costs.

Bettie Madsen's story is another example of Wal-Mart's strategy to cut costs by pushing out senior associates, as suggested in a recently leaked memo from top Wal-Mart executives. [Click here to read the memo.](#)

### **A.G. White**

#### **Full-Time Sales Floor Associate - Cranberry Township, PA**

A.G. has worked at Wal-Mart in Cranberry Township since April 2005. In addition, he worked at Wal-Mart in North Versailles, PA from 1999-2001. A.G. finds the pay and benefits at Wal-Mart

“are a joke.” He says, “The list of incredible abuse of power and greed in the Wal-Mart workplace goes on and on. Simply put, this store desperately needs major reform.”

Over the years, A.G. has noticed numerous negative changes in Wal-Mart’s medical benefits. “They’re not really benefits now at all,” he says. “Once when Wal-Mart managers were explaining the health insurance options, one associate laughed out loud because the premium was more than her earnings.”

A.G. earns \$8.10 per hour and takes home about \$500 every two weeks. He has no health benefits through Wal-Mart because they would cost him approximately \$200 every two weeks, or 40% of his paycheck. A.G. gets by with some health benefits through the Veterans Affairs (VA).

Read more about A.G.’s concerns in his own words:

“Shifts have been intentionally run on skeleton crews well before November of last year. This store is being remodeled into a Supercenter. It will be much more difficult to service and maintain such a store with the understaffed conditions that exist. No efforts or urgency on management's part have been made to remedy this condition.

Associates who use the existing Open Door policy to voice complaints and concerns are now being systematically targeted and harassed into quitting. Two friends of mine are being targeted right now: one is a Diabetic and the other is a mother of a child who needs medical attention on a regular basis. After years, her availability is now 'unacceptable,' and she must be available to work any hours that they need her. Also, they have used strong-arm tactics to attempt to change my long-established availability.

Management is seemingly rewriting any and all known rules and policies to suit their own needs. One manager recently said, "This is not a democracy. This is a dictatorship, and I'm the dictator!"

### **Rosetta Brown**

**Employee at Sam’s Club, a Division of Wal-Mart - Cicero, Illinois**

In her own words:

“I’d like to share my story about Wal-Mart and its health care to be sure that Union members continue to fight to protect the benefits earned through their collective bargaining agreement. If you do nothing and your employer implements a plan similar to what Wal-Mart offers, the health and safety of working families is at risk.

Very few of my co-workers have insurance through Wal-Mart because it is gimmick insurance. If an employee works enough hours long enough to qualify, Wal-Mart’s health insurance is extremely expensive and doesn’t cover very much at all. Immunizations? Not covered. Well-child care? Not covered. Preventative care? Guess what? Wal-Mart doesn’t cover that either. Because Wal-Mart workers pay high premiums for very little coverage, it is more cost-effective for them to rely on county-provided services instead. This means that taxpayers subsidize health benefits for Wal-Mart’s workers.

I was injured on the job October 6, 1999, while locked in my store overnight doing inventory. Currently I live with the pain and suffering of a herniated disk in my neck that happened that night. When I first got injured, I reported it right away and I knew I needed to go to the hospital

but the general manager would not let me leave the store. Finally another manager called my son to pick me up and he unlocked the door so I could go to the hospital. Before I was injured, I had health care through Medicaid. Wal-Mart refused to pay my workers' compensation benefits from my injury, and then Medicaid dropped me because the injury happened at work. Now I have no insurance coverage at all; I cannot get it through Wal-Mart or anywhere else.

Wal-Mart has ignored my bills and my pain. The actions of Wal-Mart and Sam's Club have delayed my workers' compensation. As a result, I have accumulated tens of thousands of dollars in debt from medical bills, lost my apartment, my credit is ruined and I live in pain every day. My doctor has recommended surgery in the future to alleviate my suffering, but because Wal-Mart continues to deny my claim, I cannot afford to pay for it.

There is a health care crisis in the United States and working families must stand together to ensure that all employers don't follow the example that is being set by Wal-Mart."

**Diane Muthig**

**Former Wal-Mart Employee - Oneonta, N.Y.**

Diane Muthig worked as a checker at Wal-Mart in Oneonta, N.Y., for two years before she was laid off after the holidays. She thought she could at least look forward to a longevity bonus—but she was wrong.

"They laid me off one day short my being eligible for a \$700 bonus," she said. "They weren't picking people at random to lay off. They got rid of the more senior people."

Muthig was further shortchanged after she was let go.

"When Wal-Mart hires you, they bring you in a room and strongly suggest you put in \$10 a pay period into company stock. I felt forced to do it," she said.

During her two years of work, Muthig had put \$520 into Wal-Mart stock, but received less than \$300 when she was laid off.

Now, Muthig is happy to be working again, but this time back under a Local 1 contract at a Great American store, where she had worked prior to her time at Wal-Mart. In all, she has been a union member at Great American for more than 27 years. She compared her employment at Wal-Mart to her union-protected job.

"Being a cashier at Wal-Mart was terrible. You never got breaks on time. I would flash the light to the supervisor so I could get a break, but I would have to wait and wait," Muthig said. "One day I mentioned to a co-worker that this place needs a union. She told me, 'don't say that, you will be fired on the spot'."

As a union worker, Muthig was used to regularly scheduled pay increases and affordable health care benefits. She received neither at Wal-Mart.

"When raisers were due, management would do an evaluation and find some fault. Evaluations always seemed to take place right before your raise was due."

At Wal-Mart, she also had to go without family health care coverage.

“When you get hired, Wal-Mart tells you that you get all these benefits, but they don’t tell you how much it costs. It was \$240 a month for single coverage (in 2001). I couldn’t afford even single coverage, but still had to have it. We couldn’t afford to insure my husband (who is self-employed). Thank God he never got sick.”

**Lance Hindman**

**Former Wal-Mart Employee - Little Rock, Arkansas**

When Lance Hindman thinks about his working days at Wal-Mart, he tries to remember the friendships he had with his co-workers. "They were friendly, good people," he says.

The rest of his memories as a three-year Wal-Mart employee aren't so pleasant. Hindman, a meatcutter for Kroger in Greenbrier, Ark. and member of Little Rock Local 2008, says that at Wal-Mart there's constant stress about sales. The atmosphere is full of pressure, he says. "If your work was caught up and you were talking to other guys in the backroom, a manager would crack you down and say you needed to be cutting meat."

As an experienced meatcutter, Hindman started out earning \$8 an hour at Wal-Mart. His wages at Kroger, after only four months on the job, he says, are equal to what some managers make at Wal-Mart.

When asked about health benefits, he says, "Wal-Mart gets a chunk of change from you coming and going." Hindman explains that you either pay a large deductible for your doctor visits or they take more out of your wages for the insurance. Hindman has one word for the Wal-Mart benefit factor: "lousy." After three years at Wal-Mart, he says he still hadn't qualified for pension benefits.

Another thing about Wal-Mart, Hindman says, "I'd never want to move up in that company. What they want are yes men, not problem solvers. Their managers turnover a lot, and the ones I had didn't really know the meat business. So I never had any confidence in them."

It's a different story working for a union employer. "It's a lot more fun to show up for work," Hindman says. "Everybody takes care of business, working together."

**Kristen Bonardi Rapp**

**Former Wal-Mart employee, Massachusetts**

In her own words:

"I was working an overnight shift in another store that needed help doing inventory, along with a dozen of my fellow employees from my home store. When we got there, we were told that we would have to work a 12-14 hour overnight shift with only 60 minutes break. When the group of us protested, some of us even asked to leave, we were told that all of the doors were locked and would remain locked until morning so we might as well stay and work.

We were told that if we chose not to work, well, who knew what sort of repercussions there might be for us. Almost everyone went back to work. Two other associates and I decided that we would

not work all night without a break. I went into a back office and waited for maybe an hour or two, trying to figure out what to do next.

I called my boss back at my home store and told him this was unacceptable and someone better let us out of this building now. After he told me it wouldn't be "the Wal-Mart way" to call the police, I decided to do just that. As my two co-workers and I started to leave the back office, a manager (whom I hadn't seen before) stopped us and asked for our names and what we thought we were doing back there.

Remembering this now, I can still feel how scared I was at that moment. I knew if I got fired, I would be in big trouble. I had no money, no savings, nothing. I lived from one paycheck to the next, and even then sometimes I couldn't pay all the rent. Despite being scared, I said who I was, spelled my name, and said I was going home, now. After my co-workers did the same, I took the longest walk of my 22 year old life to the front of the store, picked up the phone and called the local police.

In one big rush, I told them where I was and that the bosses wouldn't let me out of the building. Whoever it was on the phone at the police station said, "No, that wasn't okay and someone would be right over to help me out." I hung up, incredibly relieved, and waited a couple minutes until the police came. Two officers came, popped the lock right open on the Wal-Mart doors and before I could even say, "here I am, I'm the one who called," the manager suddenly appeared as though this happened everyday: "Well, hello, guys, what can I do for you this morning?"

The officers said they had been dispatched and they wanted to speak to the person who had called. My co-workers and I, as well as the manager, were each taken aside to give our statements. Work in the building had pretty much come to a standstill at that point, so everyone was told to go home. When I got back to my home store, I was "given" a couple days off (without pay) to decide if I still wanted to be a part of the Wal-Mart team. When my own boss looked me in the eye, as I sat there with my name -- Kristen -- pinned to my shirt in capital letters and said, "You're just not the same Christine you used to be," I knew I had my answer. I never went back to work there. It meant that I had to quit (and would therefore not get any unemployment benefits) and it led to several months of being very poor, to the point of being on state aid, but I never regretted it."